

ORIGINAL PAPER

---

## THE ROLE OF RURAL DEVELOPMENT POLICY IN ENVIRONMENTAL AND LAND MANAGEMENT IN SLOVENIA

T. CUNDER

Agricultural Institute of Slovenia, Hacquetova 17, 1000 Ljubljana, [tomaz.cunder@kis.si](mailto:tomaz.cunder@kis.si)

Manuscript received: June 30, 2006; Reviewed: September 1, 2006; Accepted for publication: March 5, 2007

### ABSTRACT

Rural development policy was one of the key issues and priorities for Slovenia on its way to European Union. The policy, which is created under the framework of EU rules, comprises several measures, which are to be co-financed by the EU funds. Compensatory payments for less favoured areas and agri-environmental measures are instruments which significantly contribute to environmentally, socially and economically sustainable development of rural areas in Slovenia. A successful implementation of the Rural Development Programme (RDP) and its measures in Slovenia depends of many items including administrative structure, provision of information, monitoring of progress, integration with other policy objectives and the financial resources available.

**KEY WORDS:** Slovenia, rural development, landscape, environment

## 1 INTRODUCTION

The natural resources situation in Slovenia is relatively favourable. The impact of agriculture and forestry as two main economic activities in countryside can be noted as moderate. Due to the high diversity of natural resources and landscape types in Slovenia the sustainable development of agriculture and forestry is explicitly expressed. These two sectors play a crucial role in spatial management. They affect the quality of environment and they contribute substantially to the settlement and land use of the countryside.

The Strategy of rural development in Slovenia is aimed at strengthening the multifunctional role of agriculture in Slovenia [1]. Preservation of typical cultural landscape is an important part of aesthetic and environmental identity of rural areas and it has a crucial importance in areas where agricultural activity is being abandoned. By nature-friendly and adequate technologies agriculture contributes to the maintenance of biodiversity and water and soil protection. These technologies provide for a long-term decrease of environmental pollution by polluters of agricultural origin and have a special impact on long-term improvement of water quality.

## 2 MATERIAL AND METHODS

The prepared paper briefly outlines theoretical arguments for introducing of EU comparable rural development

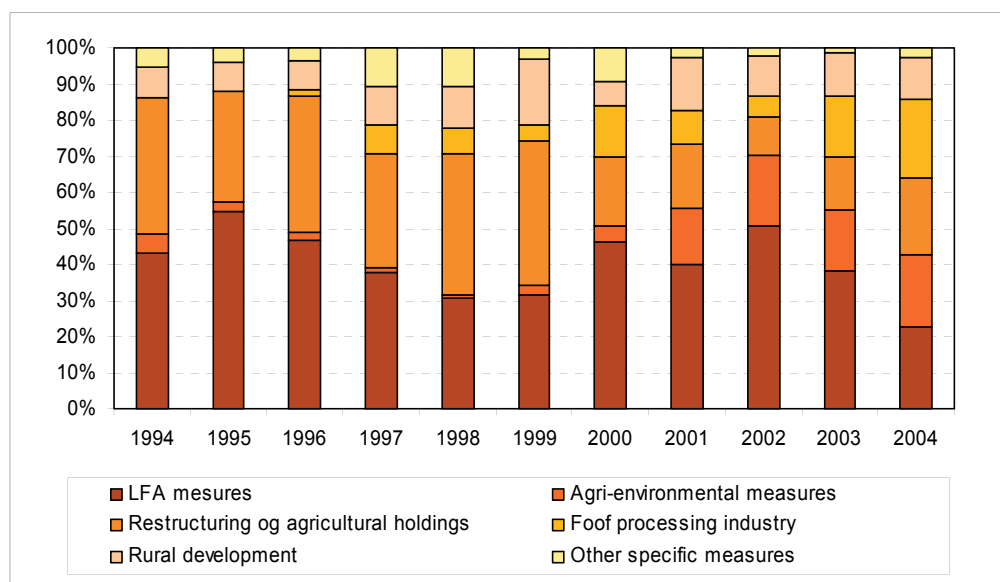
policy and examines the implementation of different support measures in Slovenian agricultural policy. The objectives of the paper are:

- to analyse the principles of current rural development policy in Slovenia and to expose the crucial points of policy support in Slovenia and EU,
- to carry out critical assessment (evaluation) of current RDP measures with special emphasis on its consistency and reconciliation with identified needs, aims and means,
- to point on possible consequences – positive or negative – of reformed policy on economical, spatial and environmental structure in Slovenia.

The paper is based on desk research drawing from responsible literature, legislation documents and available research studies. Emphasis is given to the two crucial milestones:

- accession of Slovenia and its agriculture into EU in 2004 and
- CAP Reform, which was discussed in EU in 2005 and will come into force in the new programming period 2007-2013.

No modelling work was elaborated in the framework of analyse. Critical evaluation is carried out in alignment with generally used and known policy evaluation techniques.



Source: MKGP, KIS

Picture 1: Share of expenditures for individual groups of rural development measures

### 3 RESULT AND DISCUSSION

Measures for strengthening the sustainable and multifunctional farming are financed through public expenditure, where 80% of funds are co-financed from the Guarantee section of the European Agricultural Guidance and Guarantee Fund (hereinafter referred to as the Guarantee Section of the EAGGF), while 20% of funds are provided by the national budget.

Around 40 % of whole rural development fund is focused on the following priorities:

- Preservation of agricultural landscape in less favoured areas and
- Promotion of environment friendly agricultural practise.

#### 3.1 Preservation of agricultural landscape in less favoured areas (LFAs)

Due to varied climatic, geological and morphological soil conditions, a considerable share of agricultural land in Slovenia is situated in the LFAs. While unfavourable conditions for production do not completely hinder farming, they are a cause of the lower production capacity of farms, the narrower selection of cultures and production orientations, and costlier production. Mountain farms are less competitive and, because of specific natural conditions reflected in the structure of agricultural land use, also less adaptable. Despite lower production potentials these areas nevertheless play a significant role in the preservation of the rural population and the cultural landscape, and in the maintenance of the ecological balance.

The fact is that LFAs are marginal, mostly removed from major economic centres and are characterised, due to their natural attributes, by more difficult living and economic conditions. From the spatial as well as social, agrarian and political points of view they are an essential segment of structural development. The long-term objective of the agricultural and social policy towards the LFAs areas must be the preservation of functional ability of these areas. According to the principles of the eco-socially balanced development, the objectives of production-uncoupled compensatory allowances in the LFAs are the following [5] :

- continuation and preservation of land use on around 300.000 ha of agricultural land,
- maintenance of a viable rural community,
- preservation of countryside,
- maintenance and promotion of sustainable farming systems,
- assurance of farming in areas with specific

handicaps.

The varied terrain together with high altitude, unfavourable climatic and pedologic conditions, remoteness and difficulty of access is one of the major factors restricting the development of agriculture. Poor production conditions do not make agricultural production impossible; however, production ability is relatively low and production significantly more expensive. Difficult production conditions place Slovenia among countries with the most difficult production conditions in Europe. More than 70% of agricultural land in Slovenia is located in areas where production conditions are somehow limited, which has a significant influence on the competitiveness and adaptability of the Slovenian agriculture.

In terms of their natural conditions, production technology, and socio-economic conditions Slovenia classified the following LFAs:

- mountain area,
- other less favoured areas,
- areas affected by specific handicaps.

There was no essential difference between the general objectives of the Slovenian and the EU agrarian policy with regard to the promotion of the LFAs in the last decade. In both cases, these areas are worse off than the flat areas; structural policy is adequately adapted and measures are intended above all to equalise the differences, which occur due to the different conditions for management of these areas. In 2003, Slovenia began to implement the EU comparable compensatory allowances scheme in LFAs in compliance with the EU and a national regulation. For the areas referred to special delimitation, different amounts of compensatory allowances are introduced. The level of compensatory allowances depends on the classification of agricultural holdings into one of the classification categories with regard to delimitation of LFAs and environmental characteristics of individual area.

#### 3.2 Promotion of environment friendly agricultural practise

Agri-environmental measures are aimed at introduction of environmentally sound farming practices, resulting in preservation of soil fertility, protection of the environment, preservation of biodiversity and traditional rural landscape. The objective of these measures is the promotion of agricultural production meeting the needs of customers and protecting human health and providing sustainable use of natural resources. Based on the Agricultural Development, Food, Forestry and Fisheries Programme 2000-2002 and the Programme

Table 1: Compensatory payments for LFAs in Slovenia; 2004 and 2005

	SIT/ha		EUR/ha	
	2004	2005*	2004	2005
Mountain areas	44.183	48.311	185,0	201,6
Alpine pastures	44.183	48.311	185,0	201,6
Steep slopes	37.769	41.313	158,1	172,4
Karst areas	37.769	41.313	158,1	172,4
Hilly areas	31.068	33.981	130,1	141,8
Different unfavourable conditions	15.236	16.655	63,8	69,5
Basic payment	6.104	6.063	25,6	25,3

Source: Poročilo o stanju kmetijstva v RS (Agricultural report), 2005

Table 2: Payment rates for A-E measures in Slovenia; 2004 and 2005

	SIT/ha		EUR/ha
	2004	2005*	2004, 2005
<b>Decreasing of negative impacts of agriculture on environment</b>			
Protection against erosion in orchards and vineyards	55.318	55.596	232
Crop rotation stabilisation	35.050	35.227	147
Greening of arable land	50.310	50.563	211
Integrated crop production	60.325	60.628	253
Integrated fruit production	105.390	105.920	442
Integrated vine production	105.390	105.920	442
Integrated horticulture	95.852	96.334	402
Organic farming	55.318-190.750	55.596-191.710	232-800
<b>Preservation of nature, biodiversity, soil fertility and traditional cultural landscape</b>			
Mountain pastures	14.545-19.552	14.618-19.650	61-82
Steep slopes mowing	40.058-60.325	40.259-60.628	168-253
Humpy meadows mowing	60.325	60.628	253
Meadow orchards	45.303	45.531	190
Rearing of traditional and rare domestic breeds	400-28.613	402-28.756	1,68-120
Production of traditional and rare regionally agricultural plants	30.043	30.194	126
Sustainable animal breeding	20.029	20.130	84
Extensive grassland maintenance	20.029	20.130	84
<b>Maintenance of protected areas</b>			
Animal husbandry in the central areas of appearance of large carnivores	7.392	7.429	31
Preservation of special grassland habitats	35.050	35.227	147
Permanent green cover in underground water protected areas	50.310-80.354	50.563-80.758	211-337
Grassing and green fallow	60.325	60.628	253
An addition support for all protected areas	9,8		9,8
<b>Covering of controlling costs (partly)</b>			
Organic farming	26.228	26.360	110
Integrated production	15.022	15.097	63

Source: Poročilo o stanju kmetijstva v RS (Agricultural Report), 2005

of Agricultural Policy Reform 1999-2002, measures for protection of the environment and landscape have been carried out since 1999, however some of them even earlier.

Agri-environmental measures, aiming at promotion of agricultural production compliant to the consumers' demands as well as preserving human health, assuring sustainable utilisation of natural resources and supporting the conservation of biodiversity and characteristics of the Slovenian landscapes, with a particular emphasis on the environmental component, are divided into three main groups, which define the character and contents of the measures:

- Group I: Decreasing of negative impacts of agriculture on environment (8 measures),
- Group II: Preservation of nature, biodiversity, soil fertility and traditional cultural landscape (8 measures)
- Group III: Maintenance of protected areas (5 measures)

### 3.3 Expected economic, environmental and social impact

Slovenia prepared RDP measures according to three basic strategic orientations recognised in EU: (1) competitiveness, (2) sustainability and (3) multifunctionality [4]. Although the agricultural production itself has a decreasing role in Slovenian GDP, the increasing importance of agriculture has to be stressed by its multifunctional character. This is expressed by positive social, spatial, economic and environmental function of agriculture in rural areas.

Compensatory allowances considerably contribute to income of farmers in specific areas. In connection with basic criteria of good farming practice, the measure contributes to preservation of agricultural land as well and therefore improves also the environmental functions of LFAs. The measure has a positive social impact on sustained presence of farmers in areas with lower population density.

Agri-environmental measures have definitely a positive impact on the environment, whether by decreasing the negative influence of agriculture or through maintaining the current state. They are aimed at long-term improvement of natural resources in Slovenia. Agri-environmental subsidies partly replace the costs of extra work for fulfilment of specific criteria of each measure. Agri-environmental measures have also a positive effect on improvement of skills and qualifications for the implementation of sustainable agricultural practices.

### 3.4 Critical assessment (evaluation) of current RDP measures

Reconciliation of proposed measures with identified needs does not deviate significantly from reconciliation of determined developmental aims [3]. By preparing of the RDP the current situation (natural and structural conditions, environmental conditions, human resources and actual agricultural policy) as well as developmental potential and specific needs of rural areas in Slovenia have been appropriately taken into consideration.

## 4 CONCLUSIONS

A successful implementation of the Rural Development Programme (RDP) in Slovenia in period 2004-2006 depends of many items including administrative structure, provision of information, monitoring of progress, integration with other policy objectives and the financial resources available. Programme which is prepared under EU comparable regulations have multiple objectives regarding environment and landscape. However, it also has some economic and social objectives, which often bring competition between different policy interests. The rural development objectives might not be fully achieved in the case when measures are taken without sufficient coordination with other CAP measures. A careful monitoring effort - also by introducing rural development indicators, will be needed to assess incentive payment schemes for their success in achieving of planning objectives and their effectiveness as policy instruments.

Table 3: Economic, environmental and social benefits of RDP measures

	economic	spatial	social	environmental
LFA measures	++	+++	+++	++
Agri-environmental measures	++	++	+	+++

Legend: High: +++; Medium: ++; Low: +

Table 4: Reconciliation of measures with identified needs and aims and its acceptability

	Reconciliation of measures with:		Level of current	General
	identified needs	Identified aims	implementation	acceptability of the measures
LFA measures	++	++	++	++
Agri environmental measures				
• Decreasing of negative impacts of agriculture on environment	++	++	++	++
• Preservation of nature, biodiversity, soil fertility and traditional cultural landscape	+	++	+	(+)++
• Maintenance of protected areas	+	++	+	(+)++

Legend:

Level of reconciliation and acceptability: ++ (high), + (medium)

Level of implementation: ++ (completely), + (partly)

Measures, involved in Slovenian rural development programme, could be effectively implemented only in the situation(s) where the following policy aspects can be ensured [2] :

- further promotion of “non production” functions of agriculture in Slovene rural areas,
- complete integration of agriculture inside the current political system, programmes and occurrences,
- assurance of quality-environment as a basis for sustainable economic development,
- adoption of long-run agricultural, social, regional and ecological policies.

## 5 REFERENCES

[1] BEDRAČ, M., CUNDER, T. 2006: Slovenska kmetijska politika in večnamenskost kmetijstva = Slovenian agricultural policy and multifunctional role of agriculture. V: KAVČIČ, Stane (ur.). 3. konferenca DAES, Moravske Toplice, Slovenija v EU - izzivi za kmetijstvo,

živilstvo in podeželje. 1. izd. Ljubljana: Društvo agrarnih ekonomistov Slovenije - DAES, pages 243-257,

[2] CUNDER, T. 2003: Reform of the rural development policy in Slovenia - challenges and dilemmas. V: EU-Enlargement - chances and risks for the rural area, Ljubljana, 8 pages.

[3] CUNDER, Tomaž. Slovensko podeželje in nova strategija razvoja = Slovenian rural areas and new strategy of development. Dela. [Tiskana izd.], 2006, 25, pages 147-158

[4] Ministrstvo za kmetijstvo, gozdarstvo in prehrano (MKGP). 2004: Program razvoja podeželja za Republiko Slovenijo 2004-2006 = Rural Development Programme 2004-2006, Ljubljana, 205 pages.

[5] Ministrstvo za kmetijstvo, gozdarstvo in prehrano (MKGP). 2006: Nacionalni strateški načrt razvoja podeželja 2007-2013 = National Strategy Plan for Rural Development 2007-2013, Ljubljana, 38 pages